IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX REFERENCE No 2 of 1987

For Approval and Signature:

Hon'ble MR.JUSTICE A.R.DAVE
and
Hon'ble MR.JUSTICE D.A.MEHTA

==========

1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

@

COMMISSIONER OF INCOME-TAX

Versus

ELECON ENGINEERING CO LTD

Appearance:

MR BB NAIK for MR MANISH R BHATT for Petitioner No. 1

MR RK PATEL for the Respondent

CORAM : MR.JUSTICE A.R.DAVE
and
MR.JUSTICE D.A.MEHTA

Date of decision: 27/07/2001

ORAL JUDGEMENT

(Per : MR.JUSTICE A.R.DAVE)

At the instance of the revenue, the following question of law has been referred to this Court for its opinion by the Income Tax Appellate Tribunal, Ahmedabad Bench 'B' under the provisions of sec. 256(1) of the Income-tax Act, 1961 (hereinafter referred to as 'the Act').

"Whether in law and on facts the expenditure of Rs. 14,04,022/- is allowable as revenue deduction?"

2. We have heard learned advocate Shri BB Naik appearing for the applicant and learned advocate Shri R.K. Patel for the respondent assessee.

3. Our attention has been drawn by the learned advocates to the judgment delivered in the case of the assessee itself in ITR No. 49/88 dated 18.1.2001. A similar question of law had been referred to this Court in the past for the Assessment Year 1981-82. This Court, in ITR No. 49/88, had decided the said reference in the affirmative i.e. in favour of the assessee and against the revenue.

4. Looking to the law laid down by this Court in the judgment referred to hereinabove, we answer the question referred to us in the affirmative i.e. in favour of the assessee and against the revenue.

The reference stands disposed of accordingly with no order as to costs.

(A.R. Dave, J.)

(D.A. Mehta, J.)

(hn)